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A . Report Title: Defense Base Realignment and Closure Budget Data for the Construction of the Overwater Antenna Test Range Facility at Newport, Rhode Island

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Audit



Report

OFFICE OF THE INSPECTOR GENERAL

DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR THE CONSTRUCTION OF THE
OVERWATER ANTENNA TEST RANGE FACILITY AT
NEWPORT, RHODE ISLAND

Report No. 96-104

April 26, 1996

DTIC QUALITY IMPROVED

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Department of Defense

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Acronyms

BRAC	Base Realignment and Closure
MILCON	Military Construction



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



April 26, 1996

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit of Defense Base Realignment and Closure Budget Data for the Construction of the Overwater Antenna Test Range Facility at Newport, Rhode Island (Report No. 96-104)

Introduction

We are providing this report for your information and use. The audit was required by Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991. Enclosure 1 provides details on the history of the Defense Base Realignment and Closure (BRAC) process and on our auditing and reporting requirements.

This report is one in a series of reports about FY 1997 BRAC military construction (MILCON) costs. It discusses a project that was added to the FY 1996 budget too late to be included in previous audit coverage. The report provides the results of the audit of a project, valued at \$1.4 million, for the transfer of the overwater antenna test range facility (the test facility) from the Naval Undersea Warfare Center in New London, Connecticut (New London) to the Naval Undersea Warfare Center Division in Newport, Rhode Island (Newport).

Audit Results

The Navy properly programmed requirements and estimates for project P-026S, "Overwater Antenna Test Range Facility." Project requirements for the new facility were based on the design of the existing facility. Project estimates contained in the DD Form 1391, "FY 1996 Military Construction Project Data," were supported by adequate cost data.

Audit Objectives

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. The specific objectives were to determine whether the proposed project was a valid BRAC requirement, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. The audit also assessed the adequacy of the management control program as it applied to the overall audit objective. The management control program objective will be discussed in a summary report on FY 1997 BRAC MILCON budget data.

Scope and Methodology

Scope of This Audit. We examined the FY 1997 BRAC MILCON budget request, economic analysis, and supporting documentation for space requirements for the project regarding the transfer of the test facility from New London to Newport. We did not use computer-processed data or statistical sampling procedures to conduct this audit. See Enclosure 1 for additional information on the overall scope of the audit of BRAC MILCON costs.

Audit Period, Standards, and Locations. This economy and efficiency audit was conducted in January 1996 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Enclosure 3 lists the organizations visited or contacted during the audit.

Prior Audits and Other Reviews

Since 1991, numerous reports have addressed DoD BRAC issues. Enclosure 2 lists the DoD summary reports.

Audit Background

Mission of Naval Undersea Warfare Center Division. The mission of the Naval Undersea Warfare Center Division, Newport, Rhode Island, is to be the Navy's full spectrum support center for both engineering and research, development, test, and evaluation. Those functions will support submarines, autonomous underwater systems, and submarine offensive and defensive weapon systems associated with submarine warfare. The test facility tests submarine antennas in a simulated at-sea environment.

Project Requirement. Project P-026S was developed as a result of the Secretary of Defense 1991 BRAC plan that recommended the consolidation of the undersea warfare combat and weapons systems research, development, test, and evaluation functions and associated personnel at Newport. The overwater antenna test range facility will provide research, development, test, and evaluation of reliable communications between Naval submarine units and shore stations.

Unique Facility Requirements. The facility requires a 70-foot radius tripod forming an arch over a 66-foot by 93-foot concrete pool located on the roof of a one-story facility. A 6-foot square by 18.5-foot deep well for securing submarine antennas is needed in the center of the arch. The pool on the roof contains 6 inches of salt water. Salt water is necessary for testing purposes; therefore, the facility must be located in close proximity to a saltwater source. A control center located under the arch and inside the facility is needed to monitor tests.

The picture below of the existing facility at New London shows the unique design.



Overwater Antenna Test Range Facility, New London

Discussion

Project P-026S, estimated to cost \$1.4 million, is for construction of a 6,138-square-foot facility that will provide for the testing of submarine antennas. All of the functions to be housed in the facility are currently located in building 101 at New London. Much of the equipment located in the existing test facility at New London will be used in the new overwater antenna test range facility at Newport.

Project estimates were adequately supported. Supporting documentation included original and current cost data, the architect and engineering report, and the identification of equipment that will be relocated from the existing test facility at New London to the new test facility at Newport. Documentation and information related to the existing and proposed test facilities showed that the two are similar in design and size.

Unique facility requirements prevented planning officials from using facilities already existing at Newport to fulfill the requirement for an overwater antenna test range facility. Therefore, an economic analysis was not required.

Management Comments

We provided a draft of this report to you on March 22, 1996. Because the report contains no findings or recommendations, no comments were required to the draft report, and none were received. Therefore, we are publishing this report in final form.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Mr. Terry L. McKinney, Audit Program Director, at (703) 604-9288 (DSN 664-9288) or Mr. Bruce A. Burton, Audit Project Manager, at (703) 604-9282 (DSN 664-9282). Enclosure 4 lists the planned report distribution. The audit team members are listed inside the back cover.

David Steensma
David K. Steensma
Deputy Assistant Inspector General
for Auditing

Enclosures

Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs

Commission on Defense Base Closure and Realignment. On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the Defense Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress.

Required Defense Reviews of BRAC Estimates. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

Military Department BRAC Cost-Estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model. The Cost of Base Realignment Actions computer model uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1997 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The Cost of Base Realignment Actions computer model provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

Limitations and Expansion to Overall Audit Scope. Because the Cost of Base Realignment Actions computer model develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON

Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs

project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Overall Audit Selection Process. We reviewed the FY 1997 BRAC MILCON \$820.8 million budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least \$1 million for each group. We also reviewed those FY 1996 BRAC MILCON projects that were not included in the previous FY 1996 budget submission, but were added as part of the FY 1997 BRAC MILCON budget package.

Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This enclosure lists the summary reports for the audits of BRAC budget data for FYs 1992 through 1996.

Inspector General, DoD

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
96-093	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1995 and 1996	April 3, 1996
94-040	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994	February 14, 1994
93-100	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993	May 25, 1993

Organizations Visited or Contacted

Department of the Navy

Naval Facilities Engineering Command, Alexandria, VA
Naval Undersea Warfare Center Division, Newport, RI

Report Distribution

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House Subcommittee on National Security, International Affairs, and Criminal

Justice, Committee on Government Reform and Oversight

House Committee on National Security

Honorable John H. Chafee, U.S. Senate

Honorable Claiborne Pell, U.S. Senate

Honorable Patrick J. Kennedy, U.S. House of Representatives

Audit Team Members

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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